

**CHAPTER 7. REPORT ON SUMMARY OF COMMITMENTS AND CONTINGENCIES**

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## CHAPTER 7. REPORT ON SUMMARY OF COMMITMENTS AND CONTINGENCIES

### 7.1 OVERVIEW.

- 7.1.1 The Summary of Commitments and Contingencies report is designed to capture all contractual commitments which bind NASA to pay out money under specified conditions, but which do not represent present liabilities of NASA in the sense of debts owed for cash, goods, services, or other consideration received. The report is intended to capture those items that are normally included in footnotes to a balance sheet, but cannot properly be classified as real liabilities, as described above. It is submitted annually as a line item or footnote to Federal Agencies' Centralized Trial-Balance System (FACTS I), and the National Aeronautics and Space Administration's (NASA) Accountability Report. A transmittal letter that states the amounts owed and probability that payment will be due in the future accompanies this report when it is submitted to U.S. Treasury.

### 7.2 AUTHORITIES AND REFERENCES.

- 7.2.1 Treasury Financial Manual (TFM), Volume 1, Part 2, Chapter 4700.
- 7.2.2 Budget and Accounting Procedures Act of 1950, Public Law No. 97-258 (31 U.S.C. § 3513a)

### 7.3 ROLES AND RESPONSIBILITIES.

- 7.3.1 The report is prepared and submitted to NASA Headquarters, Office of the Chief Financial Officer (OCFO) by each Center.
- 7.3.2 The OCFO consolidates the reports from each center and submits the consolidated report to the U.S. Treasury.

### 7.4 REPORT REQUIREMENTS.

- 7.4.1 NASA submits the Summary of Commitments and Contingencies report annually by September 30th as a line item or footnote to FACTS I and NASA's Accountability Report.
- 7.4.2 NASA reports its position at the end of the fiscal year, and includes all financial commitments and contingencies stated at the maximum limit of risk, not the expected cost.